## REMARKS/ARGUMENTS

Claims 1-8, 10-22, 24-33, and 35-38 remain pending in the instant application. Claims 1, 10, 14, 27, and 38 have been amended. Claims 9, 23, and 34 have been canceled without prejudice. Support for the amended claims can be found in the specification as originally filed. No new matter has been introduced by virtue of these amendments.

In the latest office action, the Examiner objected to the title of the invention. The titled has been amended to clearly indicate the invention to which the claims are directed.

Claims 1-2, 7, 9-10, 12, 14-16, 21, 23-24, 26-28, 32, 34-35, and 37-38 were rejected under 35 U.S.C. §102(b) as being anticipated by Ono et al. (U.S. Patent No. 5,825,969). These claim rejections are overcome as follows.

Embodiments in accordance with the present invention relate to apparatuses and methods wherein digital signals can be recorded even if a control flag has information indicating a copy inhibition:

"In addition, with respect to the Copy Once, the recording can be performed by converting the Copy Once into the No More Copy. If the Temp. Copy flag of the inputted digital signal is temporarily recording-incapable, the recording can be performed only when the copy control flag of the inputted digital signal is the Copy Free. In this way, by newly adding the Temp. Copy flag to the Never Copy the copy of which has been completely prohibited conventionally, it becomes possible to permit the temporary copy." (Emphasis added; page 8 line 27 to page 9 line 7)

Pending independent claims 1 and 27 accordingly recite an apparatus and method, respectively, in which a detecting/controlling circuit temporary records a digital signal even if the control flag contains information indicating a copy inhibition:

1. A digital signal recording/reproducing apparatus for recording an inputted digital signal into a recording medium and reproducing said digital signal from said recording medium, a control flag as to temporary copy permission being added to said inputted digital signal, comprising:

a recording circuit for recording said digital signal into a 1st recording medium,

a reproducing circuit for reproducing said digital signal from said 1st recording medium, and

a detecting/controlling circuit for detecting said control flag and controlling said recording circuit and said reproducing circuit, wherein

said detecting/controlling circuit temporarily records said digital signal into said 1st recording medium in accordance with a condition of said control flag, and reproduces said digital signal from said 1st recording medium in accordance with a condition of said control flag even if said control flag contains information indicating copy inhibition. (Emphasis added)

* * *

27. A digital signal transmitting method of transmitting a digital signal to a digital signal receiving apparatus, comprising a step of:

transmitting said digital signal in a state where a control flag as to temporary copy permission is added to said digital signal, said control flag being intended for executing a control at the time when said receiving apparatus temporarily records said digital signal into a recording medium even if said receiving apparatus has information indicating copy inhibition of copying said digital signal. (Emphasis added)

The specification of the Ono patent cited by the Examiner is reproduced in part below:

"When the piece of video software is reproduced, both the main information (video signals) and the control information reproduced from the tape are supplied to a reproducing circuit 6. The reproducing circuit 6 separates the control information, including the execution process information, from the main information and applies the same to the controller 9. The controller reads the number of executed reproducing cycles from the input information, compares the number of executed reproducing cycles with the allowable number of reproducing cycles provided by the transmitting device 1, and sends descramble permission information to the reproducing circuit 6 when the number of executed reproducing cycles is smaller than the allowable number of reproducing cycles." (Emphasis added; column 6, lines 48-61)

In no sense, then, can the controller of the Ono patent be understood as intended for temporarily recording data even when there is a copy inhibition signal. Rather, the controller of the Ono patent merely continues to reproduce information until the allowable number of reproducing cycles is reached. The Ono patent does not specifically teach using a control flag containing information indicating copy inhibition to block further copying. In addition, by teaching the method of reproducing information unit a maximum number of reproducing cycles is reached, the Ono patent teaches away from the recited temporarily recording a digital signal into a recording medium in accordance with a condition of a control flag, and reproducing the digital signal from the recording medium in accordance with a condition of the control flag even if the control flag contains information indicating copy inhibition. The Ono patent does not teach or suggest the pending claims.

Based upon the failure of the reference relied upon by the Examiner to teach each and every element of claims 1 and 27, it is respectfully asserted that these independent claims, as well as claims 2, 7, 9-10, 12, 14-16, 21, 23-24, 26, 28, 32, 34-35, and 37-38 depending therefrom, are patentable. The Section 102 rejection of the claims is believed to be overcome.

Claims 3, 13, and 17 were rejected under 35 U.S.C. §103(a) as being unpatentable over Ono et al. in view of Sugiyama et al. (U.S. Patent No. 6,894,860). These claim rejections are overcome as follows.

As previously stated, the Ono patent does not teach temporarily recording data even when there is a copy inhibition signal. Combination of the Ono patent with the Sugiyama patent does nothing to supply this missing teaching. Specifically, the Sugiyama patent provides a limitation when a copy inhibition is present:

"When the protective information is indicative of copy inhibition, a copy permission information reading unit 7 reads whether copy permission information has been recorded on the loaded blank tape and outputs the result to control unit 6. Control unit 6 sends a copy permission signal to recording/reproducing unit 8 based on the copy permission information. When there is no copy permission information or when the copy permission information is indicative of copy inhibition, the reproduced data cannot be copied. However, when copy permission information indicates that copying is permitted, the reproduced data can be copied." (Emphasis added; column 4, lines 56-67)

There is absolutely no teaching or even suggestion in the Sugiyama patent regarding temporarily recording data even when there is a copy inhibition signal. In fact, the Sugiyama patent teaches precisely the opposite of what is recited in the pending claims. Therefore, it is respectfully asserted that claims 3, 13, and 17 are not obvious. The Section 103 rejection of claims 3, 13, and 17 is believed to be overcome.

Claims 4, 8, 18, 22, 29, and 33 were rejected under 35 U.S.C. §103(a) as being unpatentable over Ono et al. in view of Ryota et al. (European Patent Application No. EP 0 809 244 A2). These claim rejections are overcome as follows.

As previously stated, the Ono patent does not teach temporarily recording data even when there is a copy inhibition signal. Combination of the Ono patent with the Ryota patent application does nothing to supply this missing teaching. Specifically, the Ryota patent

application discloses a signature that serves as a certificate of a license to copy a software product:

"Signature generating means, which is disposed at the central site, generates a first signature from the first identifier read out by the contents identifier reading means and the second identifier read by the storage medium identifier reading means. This first signature serves as a certificate of a license to copy the software product. Signature writing means writes the first signature generated by the signature generating means into the target storage medium." (Column 2, lines 34-43)

There is absolutely no teaching or even suggestion in the Ryota patent application regarding temporarily recording data even when there is a copy inhibition signal. Therefore, it is respectfully asserted that claims 4, 8, 18, 22, 29, and 33 are not obvious. The Section 103 rejection of claims 4, 8, 18, 22, 29, and 33 is believed to be overcome.

Claims 5-6, 11, 19-20, 25, 30-31, and 36 were rejected under 35 U.S.C. §103(a) as being unpatentable over Ono et al. in view of Garfinkle (U.S. Patent No. 5,400,402). These claim rejections are overcome as follows.

As previously stated, the Ono patent does not teach temporarily recording data even when there is a copy inhibition signal. Combination of the Ono patent with the Garfinkle patent does nothing to supply this missing teaching. Specifically, the Garfinkle patent merely describes limiting the number of times a user may view downloaded data. The Garfinkle patent is completely absent of any reference to copying data.

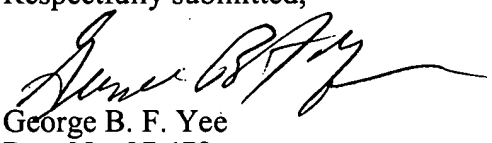
Based upon the failure of the references relied upon the Examiner to teach, or even suggest, each and every element of the claims, it is respectfully asserted that claims 5-6, 11, 19-20, 25, 30-31, and 36 are not obvious. The Section 103 rejection of claims 5-6, 11, 19-20, 25, 30-31, and 36 is believed to be overcome.

## CONCLUSION

In view of the foregoing, Applicants believe all claims now pending in this Application are in condition for allowance. The issuance of a formal Notice of Allowance at an early date is respectfully requested.

If the Examiner believes a telephone conference would expedite prosecution of this application, please telephone the undersigned at 650-326-2400.

Respectfully submitted,



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